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THE TEXTILE INDUSTRY IN EGYPT

The following official report of the Egyptian Ministry of Commerce and Industry on the textile industry in Egypt was published in the 20 September 1952 issue of the Cairo daily Journal du Commerce et de la Marine.

The spinning and weaving industry has 24 factories, of which 21 belong to private corporations, with a total capital of 9.5 million Egyptian pounds. In 1951, 1,394,970 kantars (one kantar equals 99.05 pounds) of cotton were consumed by the industry, which represents more than 18 percent of the total cotton crop. The industry employs 63,944 workers and uses 534,520 spindles and 10,843 looms.

In 1951, the spinning mills produced 53,600 tons of thread, compared with 49,200 tons in 1950 and 54,300 tons in 1949, while potential production is estimated at 65,000 tons annually. Annual consumption varies between 44,000 and 48,000 tons per year, while exports were 4,170 tons in 1949, 5,540 tons in 1950, and 10,550 tons in 1951. This increase in thread exports is due to the subsidy given to exportation and the tax imposed on the exportation of raw cotton, which has made the purchase of thread more advantageous than raw cotton. Thus, of an approximate annual output of 21,000 tons of thread, about 9,000 tons are not exported.

On 1 April 1952, stocks in the mills did not exceed 2,425 tons of thread, of which 980 tons were held by the Misr Company in Mahalla al-Kubra and Kafr ad-Dawar. At that time, stocks of cloth were 9,468 tons, of which 8,318 tons were held at the Mahalla al-Kubra, Kafr ad-Dawar, and National Spinning companies; enough to supply local demand for 3 months. Stocks of raw cotton were 341,073 kantars, of which 256,000 kantars belonged to the Mahalla and Kafr ad-Dawar companies. These stocks are enough to supply local demand for 2½ - 3 months.

The main reason the mills find it difficult to export this surplus of cotton is the rise in price of local cotton in relation to foreign cotton, in addition to the fact that the articles produced do not meet the needs of foreign markets.

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From 1947 to 1951, imports of heavy cloth were, respectively, 1,355, 1,450, 1,936, 2,642, and 1,285 tons, showing that 1951 imports were not even 50 percent of those of 1950 and less than any of the preceding years. Fifty-seven percent of the imports were from Italy, with the remainder coming from Spain, England, Hungary, France, and Belgium; 35 percent of the imports were from countries having trade agreements with Egypt.

From 1947 to 1951, imports of light cloth were, respectively, 1,648, 2,023, 1,738, 1,860, and 1,463 tons, showing that imports in 1951 were lower than in previous years. Italy accounted for 38 percent of the imports, with the remainder coming from Spain, England, Hungary, India, and Czechoslovakia; 39 percent of the imports were from countries having trade agreements with Egypt.

Imports of cotton do not exceed 6 percent of local production. Thus, it is not necessary to control imports or institute licence regulations, which would be difficult to apply to all countries, especially since such measures would be contrary to existing reciprocal-trade treaties and would cause a reaction from countries which buy Egyptian cotton.

The prices of local cotton goods have risen noticeably over the five years because of the rise in price of raw cotton, the increase in wages, and the rise in the price of raw materials.

The Egyptian textile industry enjoys an almost complete monopoly on the local market because of governmental customs protection.

The foregoing figures show that stocks held back by the factories are not usually large enough to give cause for worry about their sale. However, there is reason to control imports from abroad so that countries such as Italy, England, France, Spain, Czechoslovakia, Japan, and Hungary do not flood Egyptian markets.

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